



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

December 18, 1997

CERTIFIED RETURN RECEIPT
P 074 976 616

Neal Jensen
Western Minerals
P.O. Box 786
Santaquin, Utah 84655

Dear Mr. Jensen:

Re: Notice of Non-Compliance, Travertine #1 Mine, S/023/042, Juab County, Utah

This letter is sent to notify you, that your mining operation, is not in compliance with certain sections of the Utah Mined Land Reclamation Act 40-8-1 et seq and the Minerals Reclamation Program Rules R647-1 through R647-5.

Finding of Non-Compliance

Specifically, you have exceeded the five (5) acre limitation of your small mining notice which was approved in April 1995. The Utah Mined Land Reclamation Act, Title 40-8-18(4) states: "*Small mining operations shall submit an amendment to the notice of intention when changes in the operation occur.*" Additionally, Utah Administrative Code R647-3-113 of the Minerals Rules states: *Before enlarging a small mining operation beyond five (5) acres of surface disturbance, the operator must file a Notice of Intention to Commence Large Mining Operations (FORM MR-LMO) and receive Division approval.* During a recent inspection of the site, performed by the Bureau of Land Management ("BLM"), Warm Springs Resource Area, it was found that your operation is approximately at eight (8) acres of disturbance. Under a 1989 Memorandum of Understanding signed by the Division of Oil, Gas and Mining ("Division"), the BLM and the USDA Forest Service, the Division was informed of this fact.

Your operation is in violation of the Utah Mining Code and continued operation may be considered a willful and knowing violation. After due process, formal public notice and hearing, Western Minerals may be subject to a \$10,000 fine for each violation.

Location of Non-Compliance

The specific location of the non-compliance is in the SE1/4 of Section 14, T14S, R3W, Juab County, Utah.

Page 2
Neal Jensen
S/023/042
December 18, 1997

Mitigation Requirements

We request that you suspend mining operations immediately, and either: (1) reclaim the site down to five acres or less; *or* (2) submit a complete and technically adequate Notice of Intention to conduct *large mining operations*. If you choose to reclaim the site down to five or less acres, you must contact the Division immediately concerning development of a reclamation plan for the site. Reclamation work must be completed as soon as practicable (with the exception of seeding, which should be delayed until early spring) and before you continue to mine and remove material from the site.

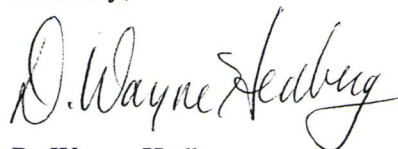
If you choose to submit a Notice of Intention to Conduct Large Mining Operations (NOI) and continue mining without performing reclamation of the acreage exceeding five (5) acres, then an *interim* reclamation surety must be submitted to the Division. The amount of interim surety will be \$16,000 (\$2,000 X 8 acres of disturbance) and must be filed within thirty (30) days of your receipt of this letter. You will need to file your complete large mining permit application with our office no later than March 2, 1998. Mining operations should remain suspended until the interim bond is received by this office.

Consequences of Continued Non-Compliance

Failure to comply with these requirements within the time frame as set forth in this Notice will cause the Division to proceed with issuance of a Notice of Agency Action. This action may result in an informal hearing before the Division Director, or a formal hearing before the Board of Oil, Gas and Mining. The Board, after notice and hearing, may enter an Order requiring compliance, abatement, mitigation, cessation of operations, reclamation, forfeiture of surety, or any other lawful action. A finding of willful violation of an order, the rules, or the statute can result in the assessment of civil penalties not to exceed \$10,000 a day for each violation.

Please contact me or Tom Munson immediately to resolve this non-compliance problem, or if you have any questions regarding the requirements of this letter.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Ron Teseneer, BLM, House Range RA
Mary Ann Wright, DOGM
Dan Moquin, Assistant Attorney General
M023042.ncl